

any properties that are listed in, or may be eligible for, listing in the National Register of Historic Places and are located within the project's area of potential environmental impacts. Consultations will be undertaken with State Historic Preservation Officers and the Advisory Council on Historic Preservation, through the implementation of subpart F of part 1901 of this chapter, in order to determine the most appropriate course of action for protecting such identified properties or mitigating potential adverse impacts to them.

(e) *Coastal barriers.* Under the requirements of the Coastal Barrier Resources Act, FmHA or its successor agency under Public Law 103-354 will not provide financial assistance for any activity to be located within the Coastal Barrier Resources System unless

(1) Such activity meets the criteria for an exception, as defined in section 6 of the Act, and

(2) Consultation regarding the activity has been completed with the Secretary of the Interior.

(f) *Water and energy conservation.* FmHA or its successor agency under Public Law 103-354 will encourage the conservation of water and energy in the development of its programs and policies and will encourage applicants to incorporate all economically feasible water and energy-saving features and designs within their proposals.

(g) *Intergovernmental initiatives on important land resources.* On a broader scale, FmHA or its successor agency under Public Law 103-354 will advocate, in cooperation with other USDA agencies (through the USDA State-level committee system), the retention of important farmlands and forestlands, prime rangeland, wetlands and floodplains whenever proposed conversions to other uses

(1) Are caused or encouraged by actions or programs of a Federal Agency, or

(2) Require licensing or approval by a Federal Agency, unless other needs clearly override the benefits derived from retention of such lands.

(h) *Water quality.* FmHA or its successor agency under Public Law 103-354 will not provide financial assistance to any activity that would either impair a

State water quality standard, including designated and/or existing beneficial uses that water quality criteria are designed to protect, or that would not meet antidegradation requirements.

§ 1940.305 Policy implementation.

(a) *Environmental impact analysis.* The implementation of the environmental impact analysis requirements described in this subpart serves as the primary mechanism for FmHA or its successor agency under Public Law 103-354 as follows:

(1) Incorporating environmental quality considerations into FmHA or its successor agency under Public Law 103-354 program and decision-making processes,

(2) Obtaining the views of the public and government agencies on potential environmental impacts associated with FmHA or its successor agency under Public Law 103-354 projects, and

(3) Using all practicable means to avoid or to minimize any possible adverse environmental effects of FmHA or its successor agency under Public Law 103-354 actions.

(b) *Natural resource management.* The State Director will develop a natural resource management guide. This guide will serve as an essential mechanism for implementing § 1940.304 of this subpart; and, therefore, the guide must be consistent with and reflect the objectives and policies contained in § 1940.304 of this subpart. At the same time, however, it must be tailored to take into account important State, regional, and local natural resource management objectives. The guide will be issued as a State Supplement for prior approval. The basic content, purposes, and uses of the guide are enumerated in exhibit B of this subpart and can be summarized as follows:

(1) The guide will serve as a mechanism for assembling an inventory of the locations within the State of those natural resources, land uses, and environmental factors that have been specified by Federal, State and local authorities as deserving some degree of protection or special consideration;

(2) The guide will summarize the various standards or types of Federal, State, or local protection that apply to

the natural resources, land uses, and environmental factors listed in the inventory; and

(3) Applications for individual projects must be reviewed for consistency with the guide.

(c) *Intergovernmental initiatives.* When commenting on proposed Federal actions subject to environmental impact statements, FmHA or its successor agency under Public Law 103–354 commentors will focus on the consistency of these actions with the appropriate State natural resource management guide. A similar focus or element will be addressed in FmHA or its successor agency under Public Law 103–354's review of the Environmental Protection Agency's 201 Wastewater Management Plans.

(d) *Farmland Protection Policy Act and Departmental Regulation 9500-3, Land Use Policy.* The natural resource management guide serves as a tool for implementing the requirements of the Act and the Departmental Regulation at the broad level of implementing the Agency's programs at the State level. These requirements must also be followed in the review of applications for financial assistance or subdivision approval, as well as the disposal of real property. FmHA or its successor agency under Public Law 103–354's implementation procedures for the project review process are contained in exhibit C of this subpart.

(e) *Endangered Species.* FmHA or its successor agency under Public Law 103–354 will implement the consultation procedures required under section 7 of the Endangered Species Act as specified in 50 CFR part 402. It is important to note that these consultation procedures apply to the disposal of real property and all FmHA or its successor agency under Public Law 103–354 applications for financial assistance and subdivision approval, including those applicants which are exempt from environmental assessments. FmHA or its successor agency under Public Law 103–354's implementation procedures are contained in exhibit D of this subpart.

(f) *Wild and scenic rivers.* Each application for financial assistance or subdivision approval and the proposed disposal of real property will be reviewed to determine if it will affect a river or

portion of it, which is either included in the National Wild and Scenic Rivers System, designated for potential addition to the system, or identified in the Nationwide Inventory prepared by the National Park Service (NPS) in the Department of the Interior (DOI). FmHA or its successor agency under Public Law 103–354's procedures for completing this review are contained in exhibit E of this subpart.

(g) *Historic and cultural properties.* (1) As part of the environmental review process, FmHA or its successor agency under Public Law 103–354 will identify any properties that are listed in or may be eligible for listing in the National Register of Historic Places, and located within the area of potential environmental impact. Identification will consist of consulting the published lists of the National Register and formally contacting and seeking the comments of the appropriate State Historic Preservation Officer (SHPO). Since it is not always possible from the consultation with the SHPO to determine whether historic and cultural properties are present within the project's area of environmental impact, it may be necessary for FmHA or its successor agency under Public Law 103–354 to consult public records and other individuals and organizations, such as university archaeologists, local historical societies, etc. These latter discussions should take place before initiating a detailed site survey since they may provide reliable information that obviates the need for a survey. However, whenever insufficient information exists to document the presence or absence of potentially eligible National Register properties and where the potential for previously unidentified properties is recognized by FmHA or its successor agency under Public Law 103–354, the SHPO, or other interested parties, FmHA or its successor agency under Public Law 103–354 will conduct the necessary investigations to determine if such properties are present within the area of potential environmental impact. FmHA or its successor agency under Public Law 103–354 will involve the SHPO in the planning and formulation of any historic, cultural, architectural or archaeological testing,

studies or surveys conducted to investigate the presence of such properties and will utilize persons with appropriate knowledge and experience.

(2) If the information obtained, as a result of the consultation and investigations conducted by FmHA or its successor agency under Public Law 103-354, indicates the presence of an historic or cultural property within the area of potential environmental impact that, in the opinion of the SHPO and FmHA or its successor agency under Public Law 103-354, appear to meet the National Register Criteria (36 CFR 60.4), the property will be considered eligible for the National Register of Historic Places. If the SHPO and FmHA or its successor agency under Public Law 103-354 do not agree on the property's eligibility for the National Register or if the Secretary of the Interior or the Advisory Council on Historic Preservation so requests, FmHA or its successor agency under Public Law 103-354 will request a determination of eligibility from the Keeper of the National Register in accordance with 36 CFR part 63. Consultations will be initiated with the SHPO and the Advisory Council on Historic Preservation in accordance with 36 CFR part 800, through the implementation of subpart F of part 1901 of this chapter, to determine the most appropriate course of action to protect all National Register and eligible properties within the area of potential environmental impact.

(3) Further instructions detailing the procedures to be followed in considering and protecting historic and cultural properties and the responsible Agency officials are contained in subpart F of part 1901 of this chapter. These procedures will be followed whenever a proposal, considered by FmHA or its successor agency under Public Law 103-354, has the potential to affect National Register or eligible properties.

(h) *Coastal barriers.* In those States having coastal barriers within the Coastal Barrier Resources System, each application for financial assistance or subdivision approval, as well as the proposed disposal of real property, will be reviewed to determine if it would be located within the system, and, if so, whether the action must be

denied on this basis or meets the Act's criteria for an exception. To accomplish the review, all affected State, District and County Offices will maintain a current set of maps, as issued by DOI, which depict those coastal barriers within their jurisdiction that have been included in the system. FmHA or its successor agency under Public Law 103-354's implementation procedures for accomplishing this review requirement and for consulting as necessary with DOI are contained in exhibit F of this subpart. The exceptions to the restrictions of the Coastal Barrier Resources Act are contained in exhibit L of this subpart.

(i) *Water and energy conservation.* Water and energy conservation measures will be considered at both the program and project level in a manner consistent with program regulations.

(j) *Noise abatement.* For purposes of assessing noise impacts and for determining the acceptability of housing sites in terms of their exposure to noise, FmHA or its successor agency under Public Law 103-354 has adopted and follows the standards and procedures developed by the U.S. Department of Housing and Urban Development (HUD) and contained in 24 CFR part 51 of subpart B entitled, "Noise Abatement and Control."

(k) *Water quality.* Each application for financial assistance or subdivision approval and the proposed disposal of real property will be reviewed to determine if it would impair a State water quality standard or meet antidegradation requirements. When necessary, the proposed activity will be modified to protect water quality standards, including designated and/or existing beneficial uses that water quality criteria are designed to protect, and meet antidegradation requirements.

§ 1940.306 Environmental responsibilities within the National Office.

(a) *Administrator.* The Administrator of FmHA or its successor agency under Public Law 103-354 has the direct responsibility for Agency compliance with all environmental laws, Executive orders, and regulations that apply to FmHA or its successor agency under